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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/734,095	12/11/2003	Timothy J. Flynn	CD-136	7989

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EXAMINER	
SHAH, AMEE A	

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 11/28/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	10/734,095	FLYNN ET AL.	
	Examiner	Art Unit	
	Amee A. Shah	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *14 September 2006*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-9 and 24-35* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-9 and 24-35* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *14 September 2006* is/are: a)☐ accepted or b)☒ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claims 1-9 and 24-35 are pending in this action.

Election/Restrictions

Applicant's traversal of the withdrawal of claims 24-35 as being drawn to a non-election invention as filed in the Remarks filed September 14, 2006, is acknowledged and found persuasive. Accordingly, the restriction requirement regarding claims 24-35 is withdrawn.

Response to Amendment

Applicant's amendment, filed September 14, 2006, is entered. Claims 1 and 4 are amended.

In view of the amendments to claim 1, the 35 U.S.C. §101 rejections of claim 1-3 are withdrawn.

Response to Arguments

Applicant's arguments filed September 14, 2006, have been fully considered but they are not persuasive. The Examiner notes that applicant argues that the "Reed et al. Patent" teaches away from the invention; however, the prior art applied was Ross et al., US 6,993,572. The Examiner presumes the arguments are directed to the Ross patent.

Applicant's argument that Morgan does not teach software or computer for managing order fulfillment transactions directly between the consumer and product supplier (Remarks,

page 12) has been considered but is moot in view of the new grounds of rejection necessitated by the amendment.

In response to applicant's arguments against the references individually, i.e. that the reference Morgan "does not teach a website for taking orders that go directly to the product supplier for fulfillment," (Remarks, page 13), one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In response to applicant's argument that the reference Ross (*see* examiner note above) teaches away from the present invention because it is teaches a system whereby the distributor has the domain and the product supplier has the subdomain whereas in applicant's and Morgan's inventions, the product supplier has the domain and the distributor has the subdomain (Remarks, page 13), the Examiner disagrees. Claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function, *see In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959). A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (Bd. Pat. App. & Inter. 1987). Thus, the structural limitations of claims 1 and 4, including software operations for operating a domain server with a plurality of subdomain servers are disclosed in Ross as described herein, and as

described, the limitations of the claim do not distinguish the claimed apparatus from the prior art. Furthermore, Ross does not criticize, discredit, or otherwise discourage the roles being reversed, i.e. the product supplier having the domain server and the distributor, the subdomain. *See* MPEP §2141.02. In fact, Ross's apparatus is capable of doing so. *See also In re Gazda*, 219 F.2d 197, 198, 101 USPQ 400, 402 (CCPA 1955) (discussing reversing parts)

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning (Remarks, page 13), it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). Here, the motivation for combining the inventions of Morgan and Ross was suggested in Ross, as stated in the previous office action and below, and thus was not based upon hindsight reasoning.

Drawings

The drawings submitted September 14, 2006, are objected to as failing to comply with 37 CFR 1.84 because they contain handwritten text that will not reproduce properly. Corrected drawing sheets in compliance with 37 CFR 1.121(d) are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is

being amended. Each drawing sheet submitted after the filing date of an application must be labeled in the top margin as either "Replacement Sheet" or "New Sheet" pursuant to 37 CFR 1.121(d). If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action. The objection to the drawings will not be held in abeyance.

Specification

The use of trademarks **such as** WAL-MART, TARGET, etc. has been noted throughout the application. Trademarks should be capitalized wherever they appear and be accompanied by the generic terminology. Although the use of trademarks is permissible in patent applications, the proprietary nature of the marks should be respected and every effort made to prevent their use in any manner which might adversely affect their validity as trademarks.

Claim Rejections - 35 U.S.C. § 112

The following is a quotation of the second paragraph of 35 U.S.C. §112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 28 is rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 28 recites the limitation "the modified websites" in line 4 of the claim. There is insufficient antecedent basis for this limitation in the claim. It is not clear to one of ordinary skill in the art to what modified website this limitation is referring. For purposes of this action only,

the term "modified" will be ignored, and the claim will be interpreted as containing the limitation of fulfilling orders placed through the subdomain website.

Claim 28 further recites the limitation "one of the distributors establishes one of the plurality of subdomain websites for taking consumer orders of the product supplier product, fulfilling the consumer orders placed through the website by the product supplier, and tracking orders and commissions of the distributor" in lines 1-5 of the claim. It is not possible for a website to fulfill the orders placed or to track orders and commissions of the distributor – some enabling software and/or hardware must be involved. For purposes of this action only, the claim will be interpreted as containing the necessary software and/or hardware to accomplish these functions.

Examiner Note

Examiner cites particular pages, columns, paragraphs and/or line numbers in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Claim Rejections - 35 U.S.C. § 103

The following is a quotation of 35 U.S.C. §103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. §103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. §103(c) and potential 35 U.S.C. §102(e), (f) or (g) prior art under 35 U.S.C. §103(a).

Claims 1-9 and 24-35 are rejected under 35 U.S.C. §103(a) as being unpatentable over Morgan et al., US 2002/0087583 A1 (hereafter referred to as "Morgan") in view of Ross, Jr. et al., US 6,993,572 B1 (hereafter referred to as "Ross").

Referring to claims 1 and 4. Morgan discloses software and a system for operating a distributor organization of a product supplier to provide for sales of a product supplier product by distributors of the product supplier product (*see* Abstract and ¶0009) comprising:

a) website software applications for operating a domain server under control of the product supplier to provide a plurality of subdomain websites for distributors to offer sales of product supplier product to consumers (Fig. 7 and ¶¶0033-0037 – note the product supplier is the "distributor" and the distributor is the "store");

b) business software applications for providing business functionalities, and a computer under control of the product supplier with these applications, including managing distributor transactions between the product supplier and the distributor (¶¶0037-0038 – note the distributor transactions include purchasing products from the distributor), and managing consumer transactions between the distributor and the consumer (¶¶0034 and 0038 – note the consumer transactions include shopping).

Morgan does not explicitly disclose managing order fulfillment transactions directly between the consumer and product supplier and the website software applications (server) and the business software applications (computer) being interconnected whereby the product supplier may accept and fulfill sales orders from consumers placed through the sub websites directly to the consumers. Ross, in the same field of endeavor and/or pertaining to the same issue, discloses an apparatus for facilitating internet commerce with affiliated websites including a product supplier providing links to its ordering facility through distributor websites that look exactly like the product supplier for a seamless ordering process whereby the website software applications and the business software applications are interconnected so the product supplier may accept and fulfill sales orders, i.e. manage order fulfillment transactions, from consumers placed through the sub websites directly to the customers (*see* Abstract and col. 24, lines 30-65 – note that while product supplier is the "Merchant" and the distributor is the "Host," the apparatus discloses that

the domain server can manage order fulfillment transactions on behalf of the subdomain website directly to the customers; note also that the providing of order fulfillment transactions directly between the consumer and the product supplier is the product supplier assembling and shipping the order directly to the consumer).

At the time of the invention, it would have been obvious to a person of ordinary skill in the art to have modified the system of Morgan to include the teachings of Ross to allow for the website software applications and the business software applications to be interconnected so the product supplier may accept and fulfill sales orders, i.e. manage order fulfillment transactions, from consumers placed through the sub websites directly to consumers. Doing so would allow for a more seamless shopping experience between affiliates for increased marketing potential and incremental sales without the loss of visitor traffic, as suggested by Ross (col. 2, lines 54-65).

Referring to claims 2 and 8. Morgan in view of Ross discloses the software and system of claims 1 and 4 wherein the distributor transactions include enabling a distributor to request commission payments through a sub website (Ross, col. 26 line 61 through col. 27, line 2) in order to entice distributors to sell more products of the product suppliers by compensating them with commissions.

Referring to claims 3, 6 and 25. Morgan in view of Ross discloses the software and system of claims 1 and 4 wherein the website software and server enable a distributor to modify a subdomain website assigned to the distributor and enabling the distributor to make changes (Morgan, ¶¶0026-0033).

Referring to claims 5 and 24. Morgan in view of Ross discloses the system of claim 4 wherein the distributor transactions include receiving distributor identification information and maintaining a database of distributor identifier information (Morgan, ¶0035 – note the identification information is comprised in part of the store name, hours, etc. received from the pharmacist and the database is the distributor database).

Referring to claim 7. Morgan in view of Ross discloses the system of claim 4 wherein the distributor transactions include maintaining a listing of distributor sales made and commissions earned through the subdomain websites (Ross, col. 26, lines 41-67) in order to efficiently pay distributor commissions as an effort to entice distributors to sell more products of the product supplier.

Referring to claims 9 and 26. Morgan in view of Ross discloses the system of claim 4 wherein the order fulfillment transactions include accepting and receiving consumer orders for product supplier products placed through the subdomain website, receiving and verifying customer payment through the subdomain website, notifying a product supplier shipping department that the consumer order is to be shipped, and maintaining records of the orders (Ross, col. 26, lines 24-43) in order to more efficiently and seamlessly conduct the business of electronic shopping by processing customer orders, ensuring the products will be paid for, and efficiently communicating within the business, so that customer satisfaction is increased.

Referring to claim 27. Morgan in view of Ross discloses he system of Claim 4 wherein the order fulfillment transactions comprise receiving consumer instructions with respect to order fulfillment of a consumer order by the product supplier (Ross, col. 24, lines 59-65, col. 26, lines 39-45, and col. 27, lines 18-20 – note the instructions with respect to order fulfillment comprise the shipping information to where the order fulfillment would be completed) in order to more efficiently and seamlessly conduct the business of electronic shopping by ensuring the product supplier receives the information necessary to fulfill orders, thereby increasing customer satisfaction.

Referring to claim 28. Morgan in view of Ross discloses the system of Claim 4 wherein one of the distributors establishes one of the plurality of subdomain websites for taking consumer orders of the product supplier product, fulfilling the consumer orders placed through the website by the product supplier, and tracking orders and commissions of the distributor (Morgan, e.g. ¶0034 – note that the established subdomain website and store are capable of taking, fulfilling and tracking orders and commissions).

Referring to claim 29. Morgan in view of Ross discloses the system of Claim 27 wherein the one of the distributors can modify a template of product supplier products offered on the one of the plurality of subdomain websites (Morgan, ¶¶0030 and 0032– note that the templates are the layout options and that the distributor can determine which products to offer).

Referring to claim 30. Morgan in view of Ross discloses the system of Claim 27 wherein the one of the distributors can modify the one of the plurality of subdomain websites to individualize promotional copy, add additional distributor product offerings, and select product supplier product markups (Morgan, ¶¶0030-0032).

Referring to claim 31. Morgan in view of Ross discloses the system of Claim 27 wherein the one of the distributors can view customer orders and commissions and submit commission payment requests to the product supplier at a secure area of the one of the plurality of subdomain websites (Ross, col. 26 line 55 through col. 27, line 2) in order to entice distributors to sell more products of the product suppliers by compensating them with commissions.

Referring to claim 32. Morgan in view of Ross discloses the system of Claim 4 wherein the order fulfillment transactions comprise shipping the products orders and notifying the host of the order status (Ross, col. 24, lines 62-65), but does not specifically disclose applying a tracking number to each of the sales orders and each of the consumers are notified of the tracking number. However, it is old and well known in the art at the time of the invention to apply tracking numbers to items shipped and disclosing such numbers to the customer so that the customer is aware of the status of their order, thereby increasing customer satisfaction.

Referring to claim 33. Morgan in view of Ross discloses the system of Claim 4 wherein the order fulfillment transactions comprise receiving consumer payment information, and verification of the consumer payment information is provided to the product supplier (Ross, col.

24, line 53-65 – note the verification of payment is included in the order that is sent to the supplier) in order for the product supplier to receive payment and effectively conduct business.

Referring to claim 34. Morgan in view of Ross discloses the system of Claim 4 wherein the order fulfillment transactions comprise listing a shipping status of each of the sales orders (Ross, col. 27, lines 24-35) so that customers can be kept updated of the progress of their orders, thereby increasing customer satisfaction.

Referring to claim 35. Morgan in view of Ross discloses the system of Claim 7 whereby the product supplier can set dollar amount limits or payment frequency limits, or both, on commission payment requests of the distributors (Ross, col. 26, line 60 through col. 27, line 2 – note that the product supplier can set the payment frequency limit of the established period).

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Blair, US 2001/0034670 A1, discloses a system and method for distributing product supplier products through a local retailer whereby the consumer directly transacts with the product supplier (*see, e.g.,* Figs. 3-6 and pages 2-3).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Amee A. Shah whose telephone number is 571-272-8116. The examiner can normally be reached on Mon.-Fri. 7:00 am - 3:30 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

AAS

November 21, 2006

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